

# TOWN OF MANSFIELD

## FINANCE COMMITTEE MEETING

MINUTES OF MAY 14, 2007

Present: Carl Schaefer, Bruce Clouette, Alison Blair, Mayor Paterson, Matt Hart,  
Cherie Trahan

The meeting was convened at 6:30 p.m.

Carl Schaefer asked if the Finance Committee had any discussion at their last meeting about how we should go about raising the Fund Balance. Fiscal year 2005/06 ended with a fund balance at 4.4% of expenditures. Current year is estimated to be over 5%. However, Bruce Clouette discussed the need to raise it in the event we go out to bond for the schools in the near future. He reported that some bond agencies are now recommending a fund balance up to 10% because of the fluctuations in State revenues. Mayor Paterson suggested that we look at building up fund balance if we receive more than anticipated revenues from the State for fiscal year 2007/08.

Also as a follow up to February's meeting, Cherie Trahan reported that we have a sample fraud policy from our audit firm, Kostin & Ruffkess, and that we have begun working on a draft policy for Mansfield & our other agencies.

Carl Schaefer requested a review of the cash collection issues from the Feb. 26, 2007 meeting. Cherie reported that a letter went out to the EHHD member towns requesting that they deposit all monies received for fees, etc into their own cash collection system. On a monthly basis, forward those revenues to the Health District. Tolland has agreed and began processing this way on March 1<sup>st</sup>. Andover and Bolton have reported that they are unable to do this. We are still waiting to hear from Willington and

Columbia. In response to a prior year audit comment, a Cash Collection policy has been developed by the Revenue Collector to ensure timely deposits from Town departments, particularly addressing those not located in Town Hall.

Carl Schaefer requested that we table the review of the quarterly financials until the committee and the Town Council has had more time to review. All agreed.

Discussion regarding appointing the firm of Kostin, Ruffkess & Co as our audit firm for the 2006/07 fiscal year included a review of the GFOA recommended practice for audit procurement. GFOA recommends multiyear (or a series of single-year contracts) for no less than five years to provide for greater continuity and minimized disruption for staff. A competitive bid process should be used. However because of frequent lack of competition, all qualified firms including the current auditors should be considered. The current firm has completed our audit for the last 9 years, however, an entirely different team of auditors has handled the audit for the last two years. The committee agreed to let the "new" team complete the audit for this year, however, they request that we go out to bid for audit services for the fiscal year 2007/08.

The final discussion was regarding the financial status of the Community Center. The Committee agreed that we need to hold a special meeting to discuss the Community Center expenditures and revenues. Potentially that meeting would start with the Town Council and be referred to the Finance Committee for a full review. The Finance Committee would then report back to the Town Council with their findings and recommendations. Matt suggested that a review of all major programs & services be done, including how they are funded. From there Council may develop Cost Recovery Goals for community functions. Helen Koehn joined the meeting and requested education for the Town Council on how the accounting for the Community Center was done and how activity-based accounting could be implemented. Bruce commented on including all costs, including things such as mowing the fields. Matt will recommend to the Council a special meeting to discuss the Community Center.

Motions:

Motion was made by Alison Blair, seconded by Bruce Clouette to adopt the minutes of the February 26, 2007 Finance Committee meeting. Carl Schaefer abstained. Motion passed.

Motion was made by Bruce Clouette and seconded by Alison Blair, to table the Quarterly Financial Statements for the period ended March 31, 2007 to a future meeting. Motion so passed.

Motion was made by Bruce Clouette and seconded by Alison Blair, to go out to bid for audit services for fiscal year 2007/08. Motion so passed.

Motion was made by Bruce Clouette and seconded by Alison Blair, to recommend that the Town Council appoint the firm of Kostin, Ruffkess & Co to conduct the audit for fiscal year 2006/07.

Motion was made by Alison Blair and seconded by Bruce Clouette to adjourn. Motion passed.

The meeting adjourned at 6:58 p.m.

Respectfully submitted,

Cherie Trahan

Controller/Treasurer